

DCI/IC-78-0021

01 JUN 1978

MEMORANDUM FOR: Director of Central Intelligence

FROM:

Deputy to the DCI for Resource Management

SUBJECT: Format for Program Review

1. After Spring Review our next major item of business will be program review. Program managers will submit their budget requests by 15 June, and we should begin our review sessions in early July. These sessions can be arranged in any format which permits us to pose questions about budget requests and program managers to defend them. We have, then, substantial flexibility. There are, however, several key considerations which we should bear in mind in designing this year's program review. The format should:

a. Reflect the authority provided to you by Executive Order 12036.

b. Preserve your position as the final arbiter of program decisions after the arguments of program managers have been made, staff analysis has been completed, and the advice of the NFIB and PRC(I) has been received.

c. Permit us not only to reach program decisions, but also to structure the analytical context in which those decisions are debated.

d. Give program managers full opportunity to present their best case on previously announced issues which will be the basis for program decisions.

2. I have outlined below a format for program reviews which seems to be consistent with these requirements. I would like to discuss these points with you before proceeding with staff preparations.

a. The sessions should be organized primarily along program rather than by cross-program functions so that program managers will have an opportunity to present their case in the strongest and most direct terms. Agendas announcing the major issues to be discussed will be prepared in advance of each session. These agendas will be reviewed by both you and me and sent to the program managers. They will have one week to suggest changes in the agendas. We will not agree to coordinate the agendas with them, but will solicit their comments and amend accordingly if their reasons seem persuasive. Once the agenda is set, it will define the subjects considered fair game in the review sessions.

b. Issue papers--which will follow the format designated by the agenda--will also be prepared several weeks in advance of the review sessions. They will provide a short summary of the issues to be discussed, relevant analysis bearing on these issues, and options for program decisions. These issue papers will be held internally. Issue papers should present options of the following four types:

(1) Direction to a program manager to come back in the fall with a decision package ranked in some different way, e.g., higher than 90 percent of his guidance number or adjacent to some other decision package;

(2) Direction to a program manager to restructure his decision packages in some way, e.g., to include processing support with some collector or to redesign a system to be compatible with something proposed in another program;

(3) Direction to provide some study or additional justification;

(4) Direction to design his program submission to be balanced at some new level of overall guidance.

c. Either you or I could chair these sessions. Perhaps it would be best to plan to have me chair them, with you attending those of greatest expected value. Program managers may be accompanied by members of their staff who they wish to have take an active role in the presentations. The Secretary of Defense will be invited to designate an observer for each of these sessions. Other than for these people, members of the Resource Management Staff, and members of the DCI's immediate office, the sessions will be closed.

d. At the close of the program review sessions, you will receive revised issue papers. These papers will now include a recommendation from the Resource Management Staff for one of the options. Where this recommendation differs from the request of the program manager, this distinction will be noted and explained.

e. At this point you will need to do something to deal with the requirement that you get advice from the NFIB and that the PRC(I) has a chance to review the program. I would propose the following for NFIB:

(1) We distribute the revised issue papers to NFIB members for written reply;

(2) We may or may not distribute for comment a "straw man" ZBB ranking of the FY 1980 submissions;

(3) We would solicit from NFIB "impact statements" on the effect of the proposed program decisions. If those were written, the need for a long meeting would be diminished. I think there will be considerable pressure to involve the PRC(I) at this point. I think you will want to. Brown's staff is proposing a letter from Brown to you on DoD views timed to arrive as you make program decisions. The other users of intelligence ought to be invited to register their views. I would propose instead of a meeting that you solicit written responses from PRC(I) members on the impact of your proposed decisions on satisfaction of priorities.

f. Once you have made preliminary decisions for each of the programs, we will draft a letter from you to each of the program managers conveying those decisions and rationales.

g. Program managers will then have a period of one week in which to determine whether they wish to appeal to you for revision in your final decisions. This appeal may be handled by letter or in person. At the end of this week you may wish to hold another NFIB meeting in which you may again solicit comments from program managers as a group. During this meeting you may either announce your overall National Foreign Intelligence Program decisions or your intention to provide them in writing to the members. Your final decisions would also be conveyed in writing to members of the PRC(I) and OMB.



STAT

SUBJECT: Format for Program Review

Distribution: (DCI/IC-78-0021)

Orig. - Adsee.

1 - DDCI

1 - ER

1 - D/DCI/RM

1 - A-D/OPEI

1 - A-D/OPP

1 - D/OPBD

1 - D/OCIS

1 - C/SS/ICS

1 - NFIB Sec.

1 - RMS Registry

STAT

D/DCI/RM
(1 June 1978)